

Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation Annual report – 31 December 2017

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Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation

Directors' report

31 December 2017

Your directors present their report on Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation (the Foundation) for the year ended 31 December 2017.

Directors

The following persons were directors of the Foundation during the whole of the financial year and up to the date of this report:

Jane S Allen

Michael Cannon-Brookes

Geoffrey J Dixon (Chair until 22 November 2017)

Gabriel G Farago

Loftus W Harris

John S Mattick

Helen McCabe

Simon D Mordant

John Schubert

Russell Scrimshaw (Appointed as Chair from 22 November 2017)

Jeanne-Claude Strong

Peter F Young

Directors' Meetings

The table below sets out the number of Board meetings held and the number of meetings attended by each director.

2018 Attendance Register – Board of Directors

Number of meetings held	4	
Directors	Eligible	Attended
Jane S Allen	4	3
Michael Cannon-Brookes	4	4
Geoffrey J Dixon	4	4
Gabriel G Farago	4	3
Loftus W Harris	4	2
John S Mattick	4	2
Helen McCabe	4	3
Simon D Mordant	4	3
John Schubert	4	1
Russell Scrimshaw	1	1
Jeanne-Claude Strong	4	4
Peter F Young	4	4

Principal activities

The Foundation was established with the purpose of obtaining bequests and donations from the private sector to support the Garvan Institute of Medical Research.

The Foundation as described in its Constitution, assists the funding of the Garvan Institute of Medical Research. The Foundation uses its best endeavours to provide grants both for current research activities and the long-term endowment fund of the Institute.

All donations received in the name of the Garvan are administered by the Foundation.

The Foundation's principal activities during the year consisted of fundraising, marketing and public education.

**Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation
Directors' report
31 December 2017**

Review of operations

2017 was a year of consolidation for the Foundation. A key focus was to ensure that the fundamental operational aspects of our key initiatives were all in place prior to the planned launches of a series of major campaigns in 2018. We continued to receive generous support from a wide cross section of the Australian community although income was down on previous years, mainly due to timing issues caused by delays to the launch of several projects.

In 2017, the Foundation's revenue was \$27,215,070 with \$27,196,950 of this being donated revenues (2016: \$34,019,596 with \$33,985,395 of this being donated revenues) with a net surplus of \$3,571 (2016: net loss \$3,346,223). The loss in 2016 was due to the receipt of a donation of shares of \$3,518,670 received by the Foundation in 2015 and then transferred to the Garvan Institute of Medical Research in 2016.

Significant changes in states of affairs

There are no significant changes in the state of affairs of the Foundation during the financial year.

Likely developments and expected results of operations

There are no likely developments and expected results of operations of the Foundation, in addition to those disclosed under the review of operations and principal activities above.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect:

- (a) the Foundation's operations in future years,
- (b) the results of those operations in future years, or
- (c) the Foundation's state of affairs in future years.

Environmental regulation

No significant environmental regulations apply.

Insurance of officers

During the financial year, the directors and officers liability insurance was covered under Garvan Institute of Medical Research's insurance policy.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Foundation, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Foundation.

Non-audit services

The Foundation may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Foundation are important. Any services are performed in accordance with The Charter of Audit Independence.

**Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation
Directors' report
31 December 2017**

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-Profit Commission (ACNC) Act 2012 is set out on page 4 and forms part of the Directors' Report.

Auditor

PricewaterhouseCoopers continues in office as the appointed auditor for the Garvan Research Foundation Limited.

This report is made in accordance with a resolution of the directors.

Director
Sydney
x xxxx 2018



Auditor's Independence Declaration

As lead auditor for the audit of Garvan Research Foundation Limited for the year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'Paddy Carney', is written over a light blue horizontal line.

Paddy Carney
Partner
PricewaterhouseCoopers

Sydney
9 May 2018

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**Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation
Financial report – 31 December 2017**

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This financial report covers Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation as an individual entity. The financial report is presented in Australian dollars.

Garvan Research Foundation Limited (ACN: 107 850 751) is a company limited by guarantee, incorporated and domiciled in Australia. Its sole and dominant purpose is to act as Trustee for the Garvan Research Foundation in accordance with the trust deed dated 21 November 2003. Its registered office and principal place of business is:

Garvan Research Foundation
384 Victoria Street
Darlinghurst NSW 2010

The financial report was authorised for issue by the directors on xxxxxx 2018. The directors have the power to amend and reissue the financial report.

Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation
Statement of Comprehensive Income
For the year ended 31 December 2017

	Notes	2017 \$	2016 \$
Revenue			
Fund Raising	4	27,196,950	33,985,395
Other Revenue	4	18,120	34,201
		<u>27,215,070</u>	<u>34,019,596</u>
Expenses			
Amortisation and depreciation	5	(33,323)	(13,779)
Employment costs		(2,902,787)	(2,451,052)
Loss on investment		-	(172,447)
Event costs		(240,279)	(144,584)
Fund raising costs		(3,425,144)	(3,157,504)
		<u>(6,601,533)</u>	<u>(5,939,366)</u>
Net surplus before distribution		<u>20,613,537</u>	<u>28,080,230</u>
Distribution to Garvan Institute of Medical Research			
Endowment fund grants	5	(1,485,917)	(5,047,965)
General research and operating grants	5	(1,400,000)	(1,400,000)
Specific grants	5	(17,724,049)	(24,978,237)
Distribution to others - specific grants	5	-	(251)
		<u>(20,609,966)</u>	<u>(31,426,453)</u>
Net surplus/(deficit) for the year		<u>3,571</u>	<u>(3,346,223)</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>3,571</u>	<u>(3,346,223)</u>

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation
Statement of financial position
As at 31 December 2017

	Notes	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	6	2,855,577	622,640
Trade and other receivables	7	244,495	1,380,600
Total current assets		<u>3,100,072</u>	<u>2,003,240</u>
Non-current assets			
Property, plant and equipment	8	117,632	108,853
Total non-current assets		<u>117,632</u>	<u>108,853</u>
Total assets		<u>3,217,704</u>	<u>2,112,093</u>
Current liabilities			
Trade and other payables	9	1,506,508	404,468
Total current liabilities		<u>1,506,508</u>	<u>404,468</u>
Total liabilities		<u>1,506,508</u>	<u>404,468</u>
Net assets		<u>1,711,196</u>	<u>1,707,625</u>
Accumulated funds			
Accumulated surplus	11	1,711,196	1,707,625
Total Accumulated funds		<u>1,711,196</u>	<u>1,707,625</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation
Statement of Changes in Equity
For the year ended 31 December 2017

	Notes	Accumulated surplus \$	Total Accumulated Funds \$
Balance at 1 January 2016		5,053,848	5,053,848
Net loss for the year		(3,346,223)	(3,346,223)
Balance at 31 December 2016	12	<u>1,707,625</u>	<u>1,707,625</u>
Balance at 1 January 2017		1,707,625	1,707,625
Net surplus for the year		3,571	3,571
Balance at 31 December 2017	12	<u>1,711,196</u>	<u>1,711,195</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation
Statement of Cash Flows
For the year ended 31 December 2017

	Notes	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		28,685,658	36,531,636
Payments to suppliers (inclusive of goods and services tax) / transfer of donations		(26,428,740)	(37,759,429)
Interest received		18,120	34,201
Net cash (outflow)/inflow from operating activities	16	<u><u>2,275,039</u></u>	<u><u>(1,193,592)</u></u>
Cash flows from investing activities			
Payments for property, plant and equipment		(42,102)	(74,911)
Net cash outflow from investing activities		<u><u>(42,102)</u></u>	<u><u>(74,911)</u></u>
Net increase/(decrease) in cash held			
		2,232,937	(1,268,503)
Cash at the beginning of the financial year		622,640	1,891,143
Cash at the end of the financial year	6	<u><u>2,855,577</u></u>	<u><u>622,640</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation
Notes to the financial statements
31 December 2017

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Garvan Research Foundation Limited as Trustee of the Garvan Research Foundation
Notes to the financial statements
31 December 2017

Note 1 Summary of significant accounting policies

This financial report is that of the Garvan Research Foundation Limited (ACN: 107 850 751) as trustee for the Garvan Research Foundation pursuant to the trust deed dated 21 November 2003.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and the *Trust Deed dated 21 November 2003*. Garvan Research Foundation Limited is a non-for-profit entity for the purpose of preparing the financial statements.

Historical cost convention

These financial statements have been prepared under the historical cost convention.

(b) Revenue recognition

Revenue is recognised for the major activities as follows:

(i) Donations, bequests and event revenue

Revenue is derived from donations, bequests and events in the form of cash or in kind. Amounts donated are recognised as revenue only when the Foundation gains control of probable economic benefits that can be reliably measured. Therefore, donations are recognised as revenue when they are recorded in the books and records of the Foundation.

(ii) Other revenue

Other revenue being interest, is recognised when it is received or when the right to receive payment is established.

(iii) Sale of merchandise

Revenue from the sale of merchandise is recognised when received and/or associated risk is passed to external parties.

(c) Income tax

The Foundation is exempt from income tax.

(d) Acquisitions of assets

The purchase method of accounting is used to account for all acquisitions of assets. Cost is measured as the fair value of the assets given.

(e) Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(f) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Garvan Research Foundation Limited as Trustee of the Garvan Research Foundation
Notes to the financial statements
31 December 2017

Note 1 Summary of significant accounting policies (continued)

(g) Receivables

All debtors are recognised at the amounts receivable as they are due for settlement no more than 120 days from the date of recognition.

(h) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Property, plant & equipment 2.5 - 4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Foundation prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Provisions

Provisions are recognised when: (1) the Foundation has a present legal or constructive obligation as a result of past events; (2) it is more likely than not that an outflow of resources will be required to settle the obligation; and (3) the amount has been reliably estimated.

(k) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification on other categories is

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the entity has transferred substantially all the risks and rewards of

Garvan Research Foundation Limited as Trustee of the Garvan Research Foundation
Notes to the financial statements
31 December 2017

Note 1 Summary of significant accounting policies (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either: i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or ii) designed as such initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Except for effective hedging instruments, derivatives are also categorised as fair value through profit or loss. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulties of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a
The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

(l) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either; in the principal market; or in the absence of a principal market, in the

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments.

(m) Employment costs

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Note 2 Financial risk management

Risk management is carried out by an investment committee under policies approved by the Board of the Institute.

Garvan Research Foundation Limited as Trustee of the Garvan Research Foundation
Notes to the financial statements
31 December 2017

Note 2 Financial risk management (continued)

The Foundation holds the following financial instruments at reporting date:

	2017	2016
	\$	\$
Financial assets		
Cash	2,855,577	622,640
Trade and other receivables	244,495	1,380,600
	<u>3,100,072</u>	<u>2,003,240</u>
Financial liabilities		
Trade and other payables	1,506,508	404,468
	<u>1,506,508</u>	<u>404,468</u>

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount committed credit facilities to meet obligations when due and to close out market position.

Maturities of financial liabilities

The table below analyses the Foundation's financial liabilities into relevant maturity grouping based on its contractual maturities for financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 6 months equal their carrying balances.

Contractual maturities of financial liabilities	Less than 6 months	Total contractual cash flows	Carrying amount (assets)/ liabilities
At 31 December 2017	\$	\$	\$
Trade payables	<u>1,506,508</u>	<u>1,506,508</u>	<u>1,506,508</u>
Total	<u>1,506,508</u>	<u>1,506,508</u>	<u>1,506,508</u>

Credit risk

There is no significant credit risk to the Foundation at the reporting date.

Garvan Research Foundation Limited as Trustee of the Garvan Research Foundation
Notes to the financial statements
31 December 2017

Note 3 Critical accounting estimates and judgments

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Foundation's accounting policies. There were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements of the Foundation.

Note 4 Revenue

	2017	2016
	\$	\$
Revenue		
<i>Fund raising</i>		
Donations and Pledges	21,127,617	24,908,084
Events	8,623	526,235
Bequests	6,060,710	8,551,076
	<u>27,196,950</u>	<u>33,985,395</u>
<i>Other revenue</i>		
Interest from financial assets not at fair value through profit or loss	18,120	34,201
	<u>18,120</u>	<u>34,201</u>
	<u>27,215,070</u>	<u>34,019,596</u>

Note 5 Expenses

Net surplus includes the following specific expenses:

<i>Depreciation</i>		
Property, plant and equipment	33,323	13,779
Total depreciation	<u>33,323</u>	<u>13,779</u>
<i>Endowment fund grants</i>		
Endowment fund grants to GIMR	1,485,917	5,047,965
	<u>1,485,917</u>	<u>5,047,965</u>
<i>Operating Grant to Institute</i>		
Operating Grant to GIMR	1,400,000	1,400,000
	<u>1,400,000</u>	<u>1,400,000</u>
Specific grants to GIMR	17,724,049	24,978,237
Specific grants to Others	-	251
	<u>17,724,049</u>	<u>24,978,488</u>

Garvan Research Foundation Limited as Trustee of the Garvan Research Foundation
Notes to the financial statements
31 December 2017

Note 6 Current assets - Cash and cash equivalents

	2017	2016
	\$	\$
Cash at bank and in hand	2,855,577	622,640
Balances per statement of cash flows	<u>2,855,577</u>	<u>622,640</u>

The cash at bank earns a floating interest rate of up to 1.5%

Note 7 Current assets - Trade and other receivables

	2017	2016
	\$	\$
GST receivable and prepayments *	244,495	155,472
Other receivables **	-	1,225,128
	<u>244,495</u>	<u>1,380,600</u>

*These amounts represent GST receivable and prepaid balances.

**Other receivables from Garvan Institute represents the reversal of tied donations to be transferred in 2017

Note 8 Non-current assets – Property, plant and equipment

	Plant and equipment \$	Total \$
At 1 January 2016		
Cost	206,754	206,754
Accumulated depreciation	<u>(159,033)</u>	<u>(159,033)</u>
Net book amount	<u>47,721</u>	<u>47,721</u>
Year ended 31 December 2016		
Opening net book amount	47,721	47,721
Additions	74,911	74,911
Depreciation charge	<u>(13,779)</u>	<u>(13,779)</u>
Closing net book amount	<u>108,853</u>	<u>108,853</u>
At 1 January 2017		
Cost	281,665	281,665
Accumulated depreciation	<u>(172,812)</u>	<u>(172,812)</u>
Net book amount	<u>108,853</u>	<u>108,853</u>
Year ended 31 December 2017		
Opening net book amount	108,853	108,853
Additions	42,102	42,102
Depreciation charge	<u>(33,323)</u>	<u>(33,323)</u>
Closing net book amount	<u>117,632</u>	<u>117,632</u>

Garvan Research Foundation Limited as Trustee of the Garvan Research Foundation
Notes to the financial statements
31 December 2017

Note 8 Non-current assets – Property, plant and equipment (continued)

	Plant and equipment	Total
At 31 December 2017	\$	\$
Cost	323,767	323,767
Accumulated depreciation	(206,135)	(206,135)
Net book amount	<u>117,632</u>	<u>117,632</u>

Note 9 Current liabilities - Trade and other payables

	2017	2016
	\$	\$
Trade payables	1,372,775	162,387
Other payables	133,733	242,081
	<u>1,506,508</u>	<u>404,468</u>

Note 10 Contributed equity

Garvan Research Foundation is a company limited by guarantee of its members to contribute, in the event of dissolution, a maximum of \$10 each towards meeting any outstanding obligations of the Foundation. At 31 December 2017, The Garvan Institute of Medical Research is the only member.

In relation to the accumulated funds shown on the balance sheet, the Foundation's constitution provides that any funds of the Foundation shall be applied in furtherance of its objects and that no portion thereof shall be distributed directly or indirectly to the members of the Foundation.

Note 11 Accumulated surplus

Movements in accumulated surpluses were as follows:

	2017	2016
	\$	\$
Accumulated surplus at the beginning of the financial year	1,707,625	5,053,848
Net (loss)/surplus for the year	3,571	(3,346,223)
Accumulated surplus at the end of the financial year	<u>1,711,196</u>	<u>1,707,625</u>

Note 12 Remuneration of auditors

	2017	2016
	\$	\$
Audit services		
PwC Australia		
- Audit and review of financial statements	36,000	36,000
Total remuneration for audit services	<u>36,000</u>	<u>36,000</u>

Note 13 Contingencies

There are no contingent liabilities and contingent assets raised at 31 December 2017.

Garvan Research Foundation Limited as Trustee of the Garvan Research Foundation
Notes to the financial statements
31 December 2017

Note 14 Related party transactions

(a) Directors

The names of persons who were directors of the Foundation at any time during the financial year are as follows: Jane S Allen, Michael Cannon-Brookes, Helen McCabe, Gabriel Farago, John S. Mattick, Geoff Dixon, Loftus Harris, John Landerer, Brad Rees, Simon D Mordant, Bruce Baird, Jeanne-Claude Strong, Helga Neidhart, John Schubert, Russell Scrimshaw, Peter F Young

(b) Trustee

Garvan Research Foundation Limited acts as Trustee for the Garvan Research Foundation pursuant to the trust deed dated 21 November 2003.

(c) Remuneration of directors

The Directors did not receive any remuneration from the Foundation during the financial year.

(d) Transactions with other related parties

The following transactions occurred with related parties other than key management personnel:

	2017	2016
<i>Grants to associates (Garvan Institute of Medical Research)</i>	\$	\$
General research and operating grant	1,400,000	1,400,000
Specific research grants	17,724,049	24,978,488
Endowment fund grant	1,485,917	5,047,965
	<u>20,609,966</u>	<u>31,426,453</u>

(e) Outstanding balances

The following balances are outstanding at the reporting date in relation to transactions with related parties other than key management personnel:

	2017	2016
<i>Current receivables</i>	\$	\$
Garvan Institute of Medical Research	-	1,225,128
<i>Current payables (reimbursement)</i>	\$	\$
Garvan Institute of Medical Research	1,408,108	14,971

Note 15 Reconciliation of profit after income tax to net cash inflow from operating activities

	2017	2016
	\$	\$
(Loss)/Surplus for the year	3,571	(3,346,223)
Depreciation and amortisation	33,323	13,779
Non-cash bequest received	-	3,518,670
Change in operating assets and liabilities:		
(Increase)/decrease in receivables	1,136,106	(1,221,598)
Increase/(decrease) in payables	1,102,040	(158,220)
Net cash inflow from operating activities	<u>2,275,040</u>	<u>(1,193,592)</u>

Note 17 Events after the reporting period

No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the Foundation's operations, the results of those operations, or the Foundation's state of affairs in future financial years.

Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation
Directors' declaration
31 December 2017


In the Directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 18 are in accordance with the *Trust Deed dated 21 November 2003*, including:
 - (i) complying with Accounting Standards and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Foundation's financial position as at 31 December 2017 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors, for and on behalf of the Board by:



R. Scrimshaw, Chairman



J. Mattick, Director

Sydney
xxxxx 2018
9 May



Independent auditor's report

To the members of Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation

Our opinion

In our opinion:

The accompanying financial report of Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation (the Foundation) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and the *Trust Deed dated 21 November 2003*, including:

- (a) giving a true and fair view of the Foundation's financial position as at 31 December 2017 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The financial report comprises:

- the statement of financial position as at 31 December 2017
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the director's declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Foundation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Other information

The directors are responsible for the other information. The other information comprises the information included in the Foundation's director's report for the year ended 31 December 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Foundation are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, and the *Trust Deed dated 21 November 2003* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Foundation to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.



A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

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A handwritten signature in blue ink, appearing to read 'Paddy Carney', written in a cursive style.

Paddy Carney
Partner

Sydney
9 May 2018